GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3424
ANSWERED ON:26.04.2007
REVIVAL PLAN FOR BHPV
Jagannath Dr. M.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Bharat Heavy Plate & Vessels Limited (BHPV) has been referred to the Board for reconstruction of Public Sector Enterprises; and

(b) if so, the details thereof including the latest status in respect of its revival plan?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Yes Sir. A proposal for financial restructuring and strengthening of BHPV was initially submitted to the Board for Reconstruction of Public Sector Enterprises (BRPSE) on 21.10.2005. Meanwhile, Bharat Heavy Electricals Limited (BHEL), Engineers India Limited (EIL) and Hindustan Petroleum Corporation Limited (HPCL) evinced interest in BHPV and sought permission from the Government for conducting due diligence study of the company which were granted. Subsequently, the BRPSE in its meeting held on 26.05.2006, advised this Ministry to submit a revised proposal after examining the due diligence study of report on BHPV. After considering the due diligence study report on BHPV, Ministry of Petroleum had informed that EIL and HPCL need no longer be considered for acquiring any interest in BHPV. However, BHEL which has also conducted due diligence study of BHPV has evinced interest in BHPV subject to waiver of Government of India loan and interest, waiver of principal and interest by financial institutions/banks, funding of liabilities not provided for the transfer of existing land in possession of BHPV free of cost with waiver of stamp duty and registration charges etc. The State Government of Andhra Pradesh has agreed for granting certain reliefs & concessions for revival of BHPV. Agreement has also been reached with the Consortium of Bankers for One Time Settlement (OTS) of their dues. Once the issues of, inter-alia, payment of outstanding bank loans and settlement of other liabilities are decided, the revival proposal will be placed before the BRPSE for their recommendations. Based on the recommendations of BRPSE, the matter will be placed before the Competent Authority for a decision.